

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6211

BILL NUMBER: SB 143

NOTE PREPARED: Jan 28, 2014

BILL AMENDED:

SUBJECT: School Debt Restructuring.

FIRST AUTHOR: Sen. Miller Patricia

FIRST SPONSOR: Rep. Thompson

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill specifies that a school corporation may adopt a resolution before January 1, 2019, to use certain debt restructuring statutes if the property tax circuit breaker credit impact for the school corporation is at least 20% of its levies.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, eligible schools may adopt a resolution by December 31, 2013, to refinance up to 50% of their existing bonds for a period not exceeding 10 years past the original term. The difference between the old debt service levy and the levy for the refinanced bond is the incremental levy amount and may be transferred, up to the amount of the circuit breaker losses, to the other funds.

Under this bill, the deadline to adopt the resolution would be extended to December 31, 2018. In addition, the bonds that could be refinanced would be limited to those issued before January 1, 2009. Additional school corporations could decide to refinance bonds under this proposal. While the annual property tax levy would not be any higher during the original term of the bond, the levy could be extended by up to 10 years.

A school is eligible if circuit breaker losses in most funds (debt service, capital projects, transportation,

school bus replacement, and racial balance) amount to at least 20% of the levies in most nondebt funds (capital projects, transportation, school bus replacement, and racial balance). The Department of Local Government Finance (DLGF) must certify the percentage lost to circuit breakers.

There are 57 school corporations that had total circuit breaker losses at or exceeding 20% of the included nondebt levies in 2013. These schools were eligible in 2013 and are listed in the table at the end of this document.

State Agencies Affected: DLGF.

Local Agencies Affected: School corporations.

Information Sources: Local Government Database; County auditor abstracts.

Fiscal Analyst: Bob Sigalow, 317-232-9859.

**School Corporation Levies and Circuit Breaker Losses
For Funds Included in IC 5-1-5-2.5
2013 (2012 in LaPorte County)**

Corp	School Corporation	Levies	Circuit Breakers	% Loss
5310	Franklin Township Community School Corp	9,250,127	17,053,971	184.4%
6340	Cannelton City School Corporation	181,684	228,686	125.9%
5380	Beech Grove City School Corporation	2,286,134	2,708,081	118.5%
5300	M.S.D. Decatur Township School Corp	6,529,406	6,013,914	92.1%
3030	Westfield-Washington School Corporation	7,452,822	6,806,756	91.3%
1970	Muncie Community School Corporation	9,867,110	8,746,133	88.6%
5280	Elwood Community School Corporation	1,442,075	1,260,963	87.4%
2270	Concord Community School Corporation	6,217,241	4,238,305	68.2%
4225	Franklin Community School Corporation	5,481,130	3,404,360	62.1%
4690	Gary Community School Corporation	21,200,917	13,071,515	61.7%
5275	Anderson Community School Corporation	11,527,816	6,677,060	57.9%
3315	Avon Community School Corporation	11,482,742	6,640,057	57.8%
5375	M.S.D. Wayne Township School Corporation	18,628,247	10,579,954	56.8%
5255	South Madison Community School Corp	3,931,353	2,130,143	54.2%
4145	Clark-Pleasant Community School Corp	6,304,057	3,378,186	53.6%
5245	Frankton-Lapel Community School Corp	2,994,988	1,585,267	52.9%
4680	Lake Station School Corporation	979,421	509,888	52.1%
0630	Zionsville Community School Corporation	7,488,992	3,870,872	51.7%
3135	Mt. Vernon Community School Corporation	3,866,613	1,869,771	48.4%
2315	Goshen Community School Corporation	7,215,582	3,419,496	47.4%
4335	Vincennes Community School Corporation	2,794,166	1,302,678	46.6%
0225	Northwest Allen County School Corp	7,274,602	3,321,711	45.7%
4670	East Chicago City School Corporation	8,619,754	3,864,676	44.8%
3305	Brownsburg Community School Corporation	8,773,632	3,484,997	39.7%
6460	Boone Township School Corporation	1,202,133	466,572	38.8%
3640	Medora Community School Corporation	284,938	107,572	37.8%
3445	New Castle Community School Corporation	4,391,554	1,637,950	37.3%
6350	Tell City-Troy Township School Corp	1,728,764	643,991	37.3%
4215	Edinburgh Community School Corporation	760,520	275,966	36.3%
3295	Northwest Hendricks School Corporation	3,048,443	1,100,858	36.1%
5855	Crawfordsville Community School Corp	2,367,472	840,874	35.5%
3070	Noblesville School Corporation	12,259,826	4,136,071	33.7%
3460	Taylor Community School Corporation	1,525,172	509,186	33.4%
4710	Hammond City School Corporation	11,456,442	3,538,836	30.9%
2305	Elkhart Community School Corporation	18,333,880	5,623,931	30.7%
0515	Blackford County School Corporation	1,486,522	438,636	29.5%
2950	Linton-Stockton School Corporation	1,195,935	344,759	28.8%
6835	Randolph Eastern School Corporation	1,203,441	343,697	28.6%
1405	Washington Community School Corporation	2,164,164	608,285	28.1%
7230	Scott County District No. 1 School Corp	1,051,488	295,502	28.1%
1910	Yorktown Community Schools	2,711,359	754,055	27.8%
3115	Southern Hancock County Comm School Corp	3,894,923	1,067,015	27.4%
3325	Danville Community School Corporation	2,981,469	793,111	26.6%

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Corp	School Corporation	Levies	Circuit Breakers	% Loss
5385	Indianapolis Public School Corporation	70,709,726	18,665,437	26.4%
5635	Peru Community School Corporation	1,505,497	394,222	26.2%
5360	M.S.D. Warren Township School Corp	17,356,659	4,493,708	25.9%
2940	Eastern Consolidated School Corporation	1,539,309	391,535	25.4%
1170	Frankfort Community School Corporation	2,557,777	636,331	24.9%
8360	Centerville-Abington Comm School Corp	1,908,397	466,876	24.5%
7205	South Bend Community School Corporation	30,781,736	7,087,192	23.0%
3480	Eastern Howard Community School Corp	1,583,995	353,383	22.3%
1300	Crawford County Community School Corp	2,439,231	533,836	21.9%
8030	Vigo County School Corporation	19,484,411	4,176,951	21.4%
0125	M.S.D. SW Allen County School Corp	10,234,331	2,176,780	21.3%
3125	Greenfield Central Community School Corp	5,275,507	1,119,356	21.2%
3405	Blue River Valley School Corporation	1,130,958	239,375	21.2%
5330	M.S.D. Lawrence Township School Corp	25,081,589	5,022,825	20.0%